State Dept. review completed

16 November 1981

MEMORANDUM FOR: D/NFAC

SUBJECT : Undersecretary's Meeting to

Evaluate Progress on COCOM HLM

The attached information provides some back-up information on the agenda provided by Lionel Olmer.

CIA Discussion Points on US Strategy and Proposed Intelligence Support

IV.C. Strengthening Controls & IV.E. Multilateral Enforcement

Although the COCOM Working Group members accepted the DoD proposed list of nine defense priority industries* for strengthening COCOM controls, CIA did not participate in the formulation of this list. The failure to delineate the initial defense-related technologies more precisely within this list caused the US bilateral delegation difficulties with our COCOM allies who feared that the US was pushing for "blanket coverage" across these industries. We believe the further pursuit of the nine defense industries is probably a no-win position for the US. It also would cause the Intelligence Community some difficulty because it does not equate to the nine Soviet defense-industrial ministries that develop and produce military hardware. In our view a better strategy for strengthening controls would be to seek political agreement at the HLM to:

1. Build on President's Ottawa statement to further tighten-up COCOM by:

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A. Strengthening enforcement -particularly cooperation with
allies to plug clandestine
leakages and illegal diversions.

^{*} heavy vehicles, shipbuilding, aerospace, metallurgy, computers, microelectronics, communications, chemicals, and machine building.

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B. Seek agreement to prohibit sale of Western technology and production know-how in those areas where we see the Soviets most active, i.e., aviation, shipbuilding, electronics, and machine building, particularly related to nuclear materials.

We could be prepared to provide a briefing to the reinforced COCOM Working Group on Point B, spelling out the pertinent technologies in more detail as well as on clandestine leakages.

The other agenda items are of less interest, although we prepared the introductory paper on COCOM Effectiveness.

Deputy Cnier
Technology Transfer Assessment Center

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